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JOHN A. STALFORD
410-385-3424

October 3, 1997

RECORDATION NO. 20928 FILED

OCT 8 '97

11-45AM

via FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mrs. Janice Fort
Recordation

RECORDATION NO. 20928-A FILED
OCT 8 '97 11-45AM

OCT 8 11 45 AM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

Re: Our File Number: 258-1733

Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Lease Agreement dated March 19, 1996 between Southern Illinois Railcar Company (101 West Vandalia Street, Suite 225, Edwardsville, Illinois 62025) and Gateway Western Railway Company (15 Executive Drive, Fairview Heights, Illinois 62208)

Also enclosed for recordation as a secondary document to the above primary document pursuant to the provisions of 49 U.S.C §11301(a) are one original and one notarized copy of the following document:

Memorandum of Assignment of Lease dated September 25, 1997 between Southern Illinois Railcar Company (Executive Park Two, 505 Buckeye Drive, Troy, Illinois 62294) and The First National Bank of Maryland (25 South Charles Street, 15th Floor, Mail Code: 101-460, Baltimore, Maryland 21201) which relates to the above-referenced Lease Agreement dated March 19, 1996 between Southern Illinois Railcar Company (101 West Vandalia Street, Suite 225, Edwardsville, Illinois

62025) and Gateway Western Railway Company (15 Executive Drive, Fairview Heights, Illinois 62208).

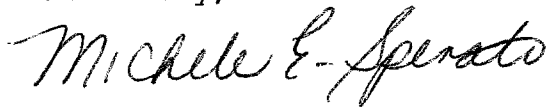
Upon assigning the recordation numbers to the enclosed Lease Agreement and the Memorandum of Third Amendment to Loan Agreement, Chattel Mortgage and Security Agreement (enclosed in this package under separate cover), please complete the blanks on page 1 of the Memorandum of Assignment of Lease.

Also enclosed are two checks, both in the amount of \$24.00 to cover the costs of recording this document.

Once these document has been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. If you have any questions, please call me at (410) 385-3425.

Sincerely,

A handwritten signature in cursive script that reads "Michele E. Sperato".

Michele E. Sperato
Assistant to John A. Stalfort

Enclosures

STATE OF MARYLAND

CITY OF BALTIMORE, TO WIT:

THIS IS TO CERTIFY that the attached Memorandum of Assignment of Lease is a true and complete copy of such Memorandum of Assignment of Lease.

WITNESS my hand and seal this 3rd day of October, 1997.

Michelle E. Sperato
Notary Public

My Commission Expires: January 28, 2001

MEMORANDUM OF
ASSIGNMENT OF LEASE

OCT 8 '97

11-45 AM

THIS MEMORANDUM OF ASSIGNMENT OF LEASE ("Memorandum") dated as of September 25, 1997, between **SOUTHERN ILLINOIS RAILCAR COMPANY**, an Illinois corporation, with an office at Executive Park Two, 505 Buckeye Drive, Troy, IL 62294 ("SIRC") and **THE FIRST NATIONAL BANK OF MARYLAND**, a national banking association, with an office at 25 South Charles Street, 15th Floor, Mail Code: 101-460, Baltimore, Maryland 21201 ("Bank").

SIRC and Bank hereby state the following:

1. SIRC and Bank are parties to that certain Loan Agreement, Chattel Mortgage and Security Agreement dated June 30, 1992 (the "Original Loan Agreement"), pursuant to which Bank agreed to make SIRC the loan described in the Original Loan Agreement (the "Original Loan"). SIRC and Bank entered into a First Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated December 23, 1994 (the "First Amendment") pursuant to which Bank released certain railcars given as collateral to secure the Original Loan and certain other railcars were substituted as collateral to secure the Original Loan. SIRC and Bank entered into a Second Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated August 1, 1997 (the "Second Amendment") pursuant to which Bank released certain railcars given as collateral to secure the Original Loan and certain other railcars were substituted as collateral to secure the Original Loan. The Original Loan Agreement and First Amendment and Second Amendment were recorded with the Surface Transportation Board (formerly the Interstate Commerce Commission) on July 1, 1992 under Recordation No. 17850-B; on December 27, 1994 under Recordation No. 17850-C and August 18, 1997 under Recordation No. 17850-D, respectively.

2. SIRC and Bank are now parties to that certain Third Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated September 25, 1997 (the "Third Amendment"), pursuant to which Bank has funded SIRC additional amounts under the Original Loan, as contemplated by the Second Amendment, and SIRC has agreed to pledge certain railcars as collateral to secure the Original Loan and the new portion thereof (collectively the "Loan"). SIRC and Bank have recorded the ^{*}Third Amendment with the Surface Transportation Board on _____, 1997, and assigned recordation number _____.

*Memorandum of

3. SIRC, as lessor, and Gateway Western Railway Company ("Gateway Western") as lessee, are parties to that certain Lease Agreement dated as of March 19, 1996, pursuant to which SIRC agreed to lease railcars to Gateway Western (the "Gateway Western Lease"), ~~a memorandum of~~ which was recorded with the Surface Transportation Board on _____, 1997, and assigned recordation number _____. SIRC. The railcars leased to Gateway Western under the Gateway Western Lease are hereinafter referred to as the "Leased Railcars".

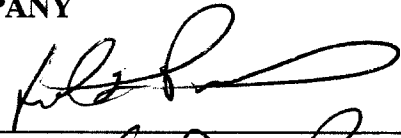
4. The Leased Railcars are more particularly listed on Exhibit A attached hereto.

5. To secure the payment and performance of any and all of SIRC's obligations to Bank, SIRC has assigned to Bank, for collateral security purposes only, and has granted to Bank a continuing first priority security interest in, and chattel mortgage lien on, all of SIRC's right, title and interest in and to, among other things, the Leases, all rental payments and other sums due and to become due and payable by Gateway Western from time to time thereunder.

6. Pursuant to a Consent and Agreement Gateway Western consented to the assignment by SIRC to Bank of SIRC's right, title and interest in and to the Gateway Western Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the day and year first above written.

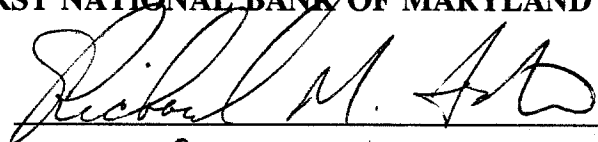
**SOUTHERN ILLINOIS RAILCAR
COMPANY**

By: 

Print Name: Frank P. [unclear]

Title: PRESIDENT

FIRST NATIONAL BANK OF MARYLAND

By: 

Print Name: Richard M. Folio

Title: Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF Madison)

I, Janice A. Tweedy, a Notary Public in and for said State, certify that FRED L. PARSONS, personally known to me to be the President of SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person; that said FRED L. PARSONS acknowledged the execution of said instrument as his free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 22nd day of September, 1997.



Janice A. Tweedy
Notary Public

My commission expires: February 23, 2000

STATE OF Maryland)
 city) SS
COUNTY OF Baltimore)

I, Michele E. Sperato, a Notary Public in and for said State, certify that Richard M. Folio, personally known to me to be the Vice President of FIRST NATIONAL BANK OF MARYLAND, a national banking association, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person; that said Richard M. Folio, VP acknowledged the execution of said instrument as his free and voluntary act and as the free and voluntary act and deed of said association, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 26th day of September, 1997.

Michele E. Sperato
Notary Public

My commission expires: January 28, 2001

EXHIBIT A

Railcars leased to Gateway Western:

GWWR 75081
GWWR 75094
GWWR 75121
GWWR 75175
GWWR 75231
GWWR 75355
GWWR 75498
GWWR 75579
GWWR 75587
GWWR 75655
GWWR 75679
GWWR 76010
GWWR 76050
GWWR 76154
GWWR 76209
GWWR 76235
GWWR 76390
GWWR 76415
GWWR 76479
GWWR 76565